

# Exhibit C



## Tezos: «Klepto Valley» Character Smears

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The city of Zug in Switzerland

**Supporters of embattled Tezos developers Arthur and Kathleen Breitman have doubled down on accusations against a Swiss foundation which governs hundreds of millions from a July token sale.**

A community around **Arthur and Kathleen Breitman**, who developed the technology underpinning cryptocurrency Tezos, ripped into a foundation that the French-American couple set up [earlier this year](#) to govern its assets.

A group of developers and investors calling themselves the Tezos Community warned that turmoil from a [high-stakes legal fight](#) imperils the cryptocurrency's development, in a four-page [manifesto published online](#). The group takes [aim at Johann Gevers](#), who controls the Swiss foundation set to house the Tezzie currency technology, as well as another board member, **Guido Schmitz-Krummacher**, who has reportedly [thrown in the towel](#).

«The good name of Zug, Switzerland, known as «crypto valley» may well become known as «klepto valley» if the Tezos Foundation, with Mr. Gevers at its head, is allowed to take contributions from individuals all over the world and fail to use them for its stated mission and purpose in a timely manner,» the backers warn in the document, which isn't signed.

### Hatchet Job

The supporters accuse Gevers of misconduct in his start-up Monetas, which recently **declared bankruptcy**. The founder lied to employees and investors, and failed to pay salaries for months at a time, according to the document. Gevers didn't immediately respond to a request for comment on the accusations.

Gevers also mismanaged Tezos, the project's backers assert: he leaked foundation business to press outlets, including the Breitmans' request for their legal fees from several class-action lawsuits to be paid out of the proceeds from Tezos' July coin offering, they say. Tezos took in \$232 million with the offer, but those proceeds, paid in bitcoin and ether, are worth roughly four-fold following a surge in the cryptocurrencies in recent months.

In the U.S., a judge overnight refused to block Tezos' funds, according to legal portal «**law.com**» (*behind paywall*). which are sitting in Swiss accounts under the foundation's – and Gevers' – control. Tezos' crypto broker, Bitcoin Suisse, has said the **funds are secure**, but it would not grant refunds from the coin offering.

## Knives Out

The Tezos community is attempting to drum up support for the Breitmans, who set up the foundation this spring, but have little or no influence on its goings-on because neither of the two hold a formal role in the structure. Despite the bitter fight now broken out between the couple and the foundation, it now leaves Gevers in the driver's seat, as *finews.com* has **previously reported**.

A relatively rigid set-up of foundations in Switzerland, light regulation, and great flexibility and autonomy for foundation officials have strengthened his hand. Until now, Bern-based regulators have not stepped in.

The group, which lauds the Breitmans as doing «heroic work» amid the dispute, presents an unnamed former Monetas employee as its star witness. Gevers proved «incompetent» at running Monetas as well as preoccupied with «dark forces» he was convinced were out to ruin his firm. The ex-employee didn't want his or her name used, ostensibly because Gevers «has a history of making threats of retaliation against people».

## Credibility Shot

The community called for Gevers to step down from the foundation, and to disclose where he helped himself to 750,000 Tezzies, and represented this as 300,000 Swiss francs. It also asked for foundation funds to be made available to developers to finish network development, testing and rollout of the currency, as well as community projects.

The community also takes aim at **Guido Schmitz-Krummacher**, another foundation member who is **reportedly stepping down**. The group called the German-born lawyer's credibility into question, saying he had written inconsistent and incomplete into a Tezos community forum after resigning, then subsequently deleted them.

Of the three foundation board members, only **Diego Olivier Fernandez Pons**, a French business and IT analyst, had supported Tezos' further development, the group argued. The

community fears that the ongoing investigation on the Tezos foundation's dealings will be quashed in order to protect Gevers and Schmitz-Krummacher.

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